

**Pre-Proposal Conference  
December 10, 2014, 9:00 AM  
Office of Inspector General (OIG)  
"Medicaid Recovery Audit Contractor"  
OPASS 15-13365 (REVISED)**

**DHMH ATTENDEES:**

Queen Davis – Office of Procurement and Support Services (OPASS)  
Lynn Price – Office of Inspector General (OIG)  
Susan Steinberg – Office of Inspector General (OIG)  
Elizabeth Morgan – Office of Inspector General (OIG)  
Wanda Danney – Office of Inspector General (OIG)  
Whitney Moyer – Office of Health Services (OHS)

**VENDOR ATTENDEES:**

Joy Wilkie – VARIS, LLC  
David Grima – VARIS, LLC  
Robert Whetzel – CHRG, LLC  
Michelle Cesare – Bay Area HealthCare  
Joe Schott – Schott HealthCare Consulting, LLC

**VIA AUDIO CONFERENCING**

Bonnie Branham – CHRG, LLC

Ms. Queen Davis from OPASS opened with introductions and apologies for the late start of the meeting. The Department of Health and Mental Hygiene (DHMH)/Office of Inspector General (OIG) has issued this RFP to contract to assist in its mission to reduce Medicaid improper payments through the efficient identification of overpayments, underpayments, and actions to prevent future improper payments, as described in the **Scope of Work – Section 3** beginning on **pg. 27**.

Ms. Davis informed attendees that minutes will be taken of this meeting and will be distributed to everyone in attendance and to everyone known to have received a copy of the proposal. If vendors decide not to submit a proposal, we ask that you complete and return **pg. ii** the Notice to Vendors Form which is a feedback response that could be helpful in planning the Department's future procurements.

Subsequent to the pre-proposal conference, written questions will be accepted until there is insufficient time to do so before the due date. Also, questions and answers will be distributed to all vendors known to have received a copy of this proposal. Questions and Answers as well as the minutes from this pre-proposal will be posted on eMM and the DHMH website. Please remember that in order to receive a contract award, a vendor must be "registered" on eMM. Registration is free. Please review Subsection 1.9 for details and website addresses. Ms. Davis asked that questions be submitted no later than five (5) business days prior to the proposal due date. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the proposal due date.

The contract resulting from this solicitation will be for 3 years beginning on or about March 2, 2015. There are two (2) one-year option periods.

The Procurement Method for this solicitation is **Competitive Sealed Proposal**.

MS. Davis referred attendees to Section 2 – Offeror Minimum Qualifications are located on pg. 26. There are two (2) listed. If minimum qualifications set forth in the RFP are not met, the Offeror's proposal will be rejected and will not be evaluated further.

Ms. Davis went over proposal format and submission requirements. Offerors are required to submit their responses to the RFP in two parts:

Volume I – Technical Proposal (separately sealed envelope)

Volume II – Financial Proposal (separately sealed envelope)

Each envelope shall bear the RFP Title and number, name and address of the Offeror, and closing date and time for receipt of the proposal. Pages of both volumes shall be consecutively numbered. The general format for this proposal is clearly stated under **Section 4 - Proposal Format**.

A brief transmittal letter prepared on the offeror's letterhead and signed by someone who is authorized to commit the offeror to the services and requirements of the RFP is requested. Be sure to include your FEIN or SSN, acknowledgement of addenda, if applicable and please include your e-mail address.

**Subsection 4.4** lists all of the documents and information required to be submitted with **Volume I** – which is your **Technical Proposal**. And please give special attention to **Subsection 4.4.2** which list (Additional Required Technical Submissions).

Ms. Davis informed attendees that a 5% MBE goal has been established for this contract (See Section 1.33). Be sure to complete the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D1). **This attachment must be provided in a separately sealed envelope.**

*If an offeror fails to submit Attachment D1 with the offer as required, the Procurement Officer shall deem the proposal non-responsive and shall determine that the offer is not reasonably susceptible of being selected for award.*

Ms. Davis informed potential Offerors the following number of Technical Proposals are required: 1 unbound original; 5 copies; 1 electronic version (CD) in Microsoft Word Format; and a second electronic version in searchable pdf format (CD) for Public Information Act (PIA) requests. This copy shall be redacted so that confidential and/or proprietary information has been removed.

Please note that the contract shall not become effective until the Contract Affidavit is signed and returned after official notification.

**Volume II - Financial Proposal** shall contain all price information in the format specified in **Attachment F**. The number of copies for Volume II Financial Proposal is 1 unbound original, 5 copies, and 1 electronic version (CD) in MS Word of the Financial Proposal.

Ms. Davis did a brief review of the Technical Requirements. She informed that their proposals will be evaluated by a committee organized for that purpose and will be based on the criteria set forth in the RFP under **Section 5 – Evaluation Criteria and Selection Procedure** (page 49). The **Technical Criteria**, listed in descending order of importance, can be found in Subsection 5.2 and the **Financial Criteria** listed in Subsection 5.3

As noted in Subsection 5.5 under **Selection Procedure** on (page 50) the contract will be awarded to the responsible Offeror that submitted the proposal determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in the RFP. Unsuccessful offerors have the right to ask for a debriefing. For the purpose of this solicitation, the technical factors will receive greater weight than the financial factors.

Within 5 days of being notified of its recommendation for award, the offeror must complete and submit Contract Affidavit set forth in Attachment C. If there is a question as to who your Resident Agent is, please contact the State's Corporate Charter Division at (410) 767-1330. The office is located at 301 W. Preston Street.

Ms. Davis reminded vendors of the Proposal Due Date and informed potential Offerors that it is very important that proposals are submitted to the Department by the date, time, and location listed (see Key Information Summary Sheet for details (pg. iii)). Proposals are due no later than **Friday, January 9, 2015 at 2:00 p.m. (local time)**. The address for receipt of proposals is listed on the Key Information Summary Sheet (page iii) **No proposals will be accepted after the specified due date and time.**

Ms. Davis informed attendees that the three acceptable means of delivering a proposal are:

1. The U.S. Postal Service
2. Hand Delivery by Offeror - ask for receipt
3. Hand Delivery by Commercial Carrier - ask for receipt

### **Program Overview:**

Good morning and thank you for coming. My name is Lynn Price and I will be the Contract Monitor for this contract. As Queen stated, this RFP is for the Recovery Audit Contractor, or the RAC, and is required under the Affordable Care Act. The contract is directed by statute and federal regulations which were promulgated at 42 CFR of Federal Regulations 455.

In previous years, Medicare had the primary audit contract for the RAC, but it has since expanded to Medicaid. Maryland is one of the last states to have a Medicaid RAC Contract.

This is a Medicaid audit contract but will be monitored and maintained in the Office of Inspector General. This contract will audit Medicaid providers, Medicaid claims for recipient services, and use

the rules and regulations of the Medicaid Program. Recoveries will go to the Medicaid Program and will actually be paid through the Medicaid Program.

In lieu of a RAC contract for the previous years, the OIG has been conducting its own in-state hospital claims audit using a clinical team made up of physicians and nurses. To date, the clinical team has audited four hospitals, with dates of service beginning in 2007. This would mean that the successful bidder would continue with calendar year 2007.

This contract not only requires the Contractor to audit hospital providers (both in and out of state), but clinics, DME/DMS, physicians services, as well as other provider types. The successful bidder can also propose to audit other provider unless they are excluded. Two types of claims that will not be audited are Managed care claims and claims paid by MCO's.

As you have read in the RFP, Maryland does not use extrapolation. The requirements and responsibilities outlined in the contract are very detailed. The contractor must identify providers to review improper claim payment, notify providers of the improper findings and then assist the Department in any recovery and appeal. The number and types of providers that can be audited or reviewed is extensive, which means that several audits could be conducted simultaneously by the successful bidder.

There will be a lot of data collection and heavy reporting requirements to the Department. The RFP is very detailed regarding the responsibilities of the Contractor. A secure data system will be very important for case tracking for managing the cases, and tracking the audit findings. A claims data base is needed for separate files for each provider. The case information must be shared not only with the Department, but with the providers.

Please be mindful of each of the deliverables that must accompany your proposal.

Are there any questions?

Joseph Schott: Will the contractor be working with the current clinical team?

Ms. Steinberg: The in house staff will not continue working with auditing the hospitals.

Joseph Schott: Is there a minimum number audits?

Ms. Steinberg: The chart provides the minimum number of reviews required. The contractor may audit more providers. With permission, may expand the type of providers reviewed.

Mr. Schott: Does the Program anticipate limiting the number of reviews?

Ms. Steinberg: The OIG does not anticipate having to limit the reviews. However a scenario would be if want to audit several OB-GYN's in Western Maryland. Due to shortage of that specialty, the OIG may limit the reviews.

Mr. Schott: What is the basis for the estimation of recovery?

Ms. Steinberg: The anticipated recoveries were based upon a percentage of claims payments. However, the State has no historical data regarding recoveries to give a more precise estimate.

Mr. Schott: You mention a RAC like contract.

Ms. Steinberg: It was a contract reviewing hospital claims, no other providers were audited, only hospitals.

Ms. Wilkie: Was the name of the other Contractor, Optimum?

Ms. Steinberg: No, it was not.

Ms. Wilkie: How many physicians' claims have been reviewed? Do we expect large recoveries?

Ms. Steinberg: The OIG has only conducted a few limited reviews of physicians, and therefore cannot estimate recoveries.

Ms. Wilkie: What are the MBE requirements? There is a 5% MBE goal established for this procurement (see Section 1 – General Information, subsection 1.33). Is there reciprocity with another state? MBE vendors must be registered with the State of Maryland. Is it negotiable? No

Meeting adjourned at 10:36 a.m.